

Three-Year Design Loan Financial Assistance Terms

WIFA Policy #: III.18

Purpose:

Identify the terms for three-year design loans. Detail the closing costs and closing fees assessed by WIFA to reimburse WIFA's transaction costs associated with providing financial assistance. Summarize WIFA's methodology to set interest rates by financial assistance recipient. Detail the annual fees assessed by WIFA to offset WIFA's management and administrative costs associated with providing and servicing financial assistance.

Policy:

Loans are amortized with interest-only payments for a period of three years with the principal becoming due at maturity.

Typically, design loans are rolled into longer term construction loans either with WIFA or another funding entity. If no construction loan results, the design loan can be amortized up to a total term not to extend beyond 20 years with level debt service.

Closing Costs and Closing Fees

WIFA may assess closing costs and fees to reimburse WIFA's costs to provide, service, and manage financial assistance. The costs and fees are detailed within WIFA Procedure III.3.2.

If closing costs and/or closing fees are assessed by WIFA, financial assistance recipients must pay the closing costs and/or closing fees on the day of the closing of the financial assistance. Financial assistance recipients may include closing costs and closing fees as eligible project costs within the financial assistance amount.

Annual Fees

Financial assistance recipients must pay fees on interest payment dates as outlined in the financial assistance agreements. The annual fees are described in Procedure III.3.1.

Combined Interest and Fee Rates

To facilitate interest and fee payments, WIFA will assess one combined interest and fee rate and will allocate the single combined payment as either interest or fees once received from the financial assistance recipient. The combined interest and fee rate for all three-year design loans will be set at 1%.

Responsibility: Chief Financial Officer

Statutory Reference: A.R.S. § 49-1203

Rule Reference: R18-15-701

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Previous Amendment Date(s): N/A

Most Recent Amendment Date: February 16, 2011 (*Replaces All Previous Versions*)

Approval:



Interim Executive Director



Date